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Fintech Fund <fintechfund@crossverify.global>

new draft US News

2 messages

Jack Abramoff - [REDACTED]

Mon, Sep 11, 2017 at 12:11 AM

To: "Marcus Andrade (fintechfund@crossverify.global)" <fintechfund@crossverify.global>

Please let me know if this is still OK. Peter made some changes. He took out Yoho until we have a bill introduced.

Emerson is supposed to have said, "If you build a better mousetrap the world will beat a path to your door." He didn't – the statement is actual the conflation of several things he wrote. Nevertheless it's an axiom that's come to symbolize the power of innovation, both to change the lives of man and to make people rich. Nowhere is that more true than in the development and commercialization of the Internet. The changes it has produced rival, in terms of magnitude and the speed with which they occurred, any mankind has previously experienced.

One of the biggest is the rise of digital currency as a valid medium of exchange. Up to now the greatest challenge to its full adoption of what are technically called cryptocurrencies is their widespread adoption by terrorist groups, drug dealers, human traffickers, ransomware extortionists and others who operate in the underground economy. It's proven useful as a way to hid profits and illicit commercial activities from the prying eyes of governments around the world.

That may all change, and soon, The Port of San Francisco, like many international ports and transportations wants to include digital currencies in their payment structures because they see them as the wave of the future. Thanks to Marcus Andrade, who met with them in early September, they may soon be able to.

Andrade is the software entrepreneur behind AML Bitcoin. He and port officials are currently in discussions looking for ways the port could utilize digital currency as a means of payment free from the taint of abuse and criminality historically attached to the concept. In his system - where the AML stands for Anti-Money Laundering – the digital dollars comply with standards used by the American banking community as set for in The Patriot Act to keep terrorists and other criminal from using the global financial system to fund their misdeeds.

"Digital currency creates economic and social possibilities that were not even imaginable fifteen years ago," Andrade told me. "In the same way that the internet brings boundless opportunity to the remote corners of the earth, digital currency affords every person the chance to participate in the global economy, if they so choose. With AML Bitcoin, digital currency can now engage in mainstream commerce, taking its rightful place among traditional payment options."

The other digital currencies, Bitcoin in particular, rely on their anonymity as a marketing feature. That's fine for the 'wild west' days of digital currencies as they are now – and when the price of Bitcoin and other "alternative currencies" (alt-coins), such as Ethereum and Litecoin rise and fall wildly – but that doesn't allow for widespread legitimate use. For the concept to move in the mainstream it will have to be transparent enough that it becomes a stable store of value in addition to being something criminals elements can no longer use to finance their operations.

As the use of digital currency becomes common in both private sector commerce and by governments, which will accept it as a medium of exchange, the anonymous feature will be the downfall of any currently in use. AML Bitcoin, which launches publicly on October 1, 2017, has attracted intense governmental interest precisely because it is unlike the others currently in use.

"The Port of San Francisco is very tech-forward thinking. We've been keeping a keen eye on cryptocurrency as a possible future payments solution for the port," said Leslie Katz, a prominent San Francisco attorney who is also the port's commissioner.

"Since we are ever vigilant about security and preventing criminal activity, the anonymous nature of digital currencies – particularly their lack of banking security compliance – left us cautious and hesitant, she said, adding that meeting with Andrade had changed her outlook. "We are going to move expeditiously to ascertain how we can utilize AML Bitcoin in our efforts to keep America safe and our port at the vanguard of technology and security advances."

This is a big step forward toward bringing legitimacy to digital currency. The Port of San Francisco is, along with those in Los Angeles/Long Beach, San Diego, Oakland, and Seattle-Tacoma, already on the front line in protecting the western United States. Together they are, as international ports that can be serviced by ships from any part of the globe, particularly important redoubts in the fight against terrorism.

Katz, who is in regular communication with the heads of the other major west coast ports, said she believed they too would be enthusiastic adopters of AML Bitcoin in their operations and that the U.S. Department of Homeland Security would likely have an interest as well in its technological innovations.

Andrade may be more ahead of the curve than he realizes. Several members of Congress are looking at the possibility of drafting legislation to allow a wider use of digital currencies in day to day corporate transactions if they meet existing banking standards as Andrade's approach does.

"In the tech industry parlance: Bitcoin is Napster, AML Bitcoin is Spotify," tech industry insider Japheth Dillman said.

An advisor to Andrade and an investor in digital currencies Dillman believes Bitcoin operates outside the laws most countries have out in place to prevent terrorists and criminals from using their finance structures. "Just as Spotify and similar sites now provide the vast majority of music lovers who don't want to operate outside of the law with a legal way to access music, AML Bitcoin will at least offer the tens of millions of people around the globe with a chance to utilize digital currency without running afoul of the banking laws."

Bringing digital currency in line with anti-money laundering and know your customer laws and other banking regulations will likely be the bridge across the gap separating what we think of as "money" with the bits and bytes that change hands – really change servers – over the Internet. If AML Bitcoin and other currencies like it yet to be developed produce greater acceptance of the concept the blockchain technology underlying their innovative algorithms could, some experts think, transform industries more rapidly and thoroughly than anything since the advent of the computer.

Fintech Fund <fintechfund@crossverify.global>

Mon, Sep 11, 2017 at 1:39 AM

To: Jack Abramoff <[REDACTED]>

Looks great

[Quoted text hidden]